

ONE HUNDRED NINTH CONGRESS

Congress of the United States
House of Representatives

COMMITTEE ON GOVERNMENT REFORM
2157 RAYBURN HOUSE OFFICE BUILDING
WASHINGTON, DC 20515-6143

Majority (202) 225-5074
Minority (202) 225-5051

SUBCOMMITTEE ON FEDERALISM AND THE CENSUS
Congressman Michael R. Turner, Chairman



OVERSIGHT HEARING
STATEMENT BY MICHAEL R. TURNER, CHAIRMAN

Hearing topic: *"Living In America: Is Our Public Housing System Up to the Challenges of the 21st Century?"*

Wednesday, February 15, 2006
2:00 PM
2247 Rayburn House Office Building

OPENING STATEMENT

Welcome to the Subcommittee's oversight hearing entitled, *"Living In America: Is Our Public Housing System Up to the Challenges of the 21st Century?"* This will be the first in a series of hearings designed to examine the state of public housing system in the United States

Congress first authorized public housing in 1937 as part of President Franklin D. Roosevelt's Depression-era public works legislative package. Over the years, the program has evolved from a public works program designed to serve predominantly working families on a temporary basis before moving on to permanent market-rate housing after a few years, to one serving poorer families who are more likely to become long-term residents, with fewer options for securing permanent unsubsidized housing.

In my hometown of Dayton, Ohio, the Dayton Metropolitan Housing Authority serves close to 15,000 families through its public housing communities or section 8 vouchers. While we have made significant progress in the housing arena over the last 10 years, addressing the

housing needs of the city's poorest families remains a significant challenge, as we seek to create quality affordable housing for all families.

Despite several minor attempts to reform our public housing system, by the mid-1990s, there were still far too many cases where public housing did not provide quality, affordable housing to the nation's neediest families. In 1998, Congress passed the Quality Housing and Work Responsibility Act of 1998 (QHWRA) to address the many problems within the public housing system. This landmark legislation was the largest overhaul of the public housing system in its long history.

Today, public housing programs serve more than 3 million families at a price of more than \$20 billion annually in federal funding. Public housing programs consume nearly 60 percent of HUD's entire annual budget.

In recent years, public housing programs and housing assistance have taken a back seat in the national debate. But with a combined federal, state, and local government investment of more than \$50 billion, it is time we begin looking to see if these funds are being well spent. In this hearing, we will look at our public housing system from a broad view. Later, we will narrow the subject matter of any follow on hearings based on what we learn from our witnesses today.

This hearing will examine the factors that lead up to Congress' decision to reform the nation's public housing programs in 1998, as well as the recommendations made by the Millennial Housing Commission in its 2002 report entitled "Meeting Our Nation's Housing Challenges." We will examine the present state of public housing and take a broad look at how effective QHWRA's reforms have been in creating better, safer and more affordable housing for the nation's low- and moderate-income families.

We have on our first panel the Honorable Rick Lazio of JP Morgan Chase. Rep. Lazio is the former Chairman of the House Financial Services Subcommittee on Housing and Community Opportunity and the author of the Quality Housing and Work Responsibility Act of 1998. Next, we have the Honorable Henry Cisneros, who was the Secretary of Housing and Urban Development from 1993 to 1997 and is currently Chairman of CityView. Next we have David Wood, Director of Financial Markets and Community Development at the Government Accountability Office. Last, we have Renee Glover, a former Commissioner on the Millennial Housing Commission and currently the CEO and President of the Atlanta Public Housing Authority.

On our second panel, we have five distinguished witnesses. First is Rod Solomon, who is Counsel with the law firm of Hawkins Delafield & Wood and was the former Deputy Assistant Secretary for Policy at HUD. Next we will hear from Conrad Egan. Mr. Egan is currently President of the National Housing Conference and the former Executive Director of the Millennial Housing Commission. Following Mr. Egan, we will hear from Dr. Alexander von Hoffman, a historian and Senior Research Fellow at Harvard University's Joint Center for Housing Studies. Next we have Dr. Edgar Olsen, professor of economics at the University of Virginia. Lastly, we have from Dr. Michael Stegman who is the Director of the Center for Community Capitalism at the Kenan Institute of Private Enterprise and an Adjunct Professor of Entrepreneurship at the University of North Carolina.

Subcommittee on Federalism and the Census

"Living In America: Is Our Public Housing System Up to the Challenges of the 21st Century?"

February 15, 2006

I look forward to the expert testimony our distinguished panel of leaders will provide the Subcommittee. Thank you all for your time today and welcome.

####